



## Legislation Text

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**File #:** 21-0220, **Version:** 1

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**TO:**

Honorable Mayor and Members of the City Council

**THROUGH:**

Bruce Moe, City Manager

**FROM:**

Erick Lee, Public Works Director

Mike Lang, Fire Chief

Prem Kumar, City Engineer

Mamerto Estepa Jr., Senior Civil Engineer

**SUBJECT:**

Consideration of the Following for Fire Station No. 2 Project:

- A. A Resolution Awarding an Agreement to Monet Construction, Inc. for \$7,445,000 for Construction of the Fire Station No. 2 Replacement Project (Project); Approving the Plans and Specifications for the Project; Authorizing the City Manager to Approve Additional Work if Necessary, for up to \$744,500; and Authorizing the City Manager to Decline the Additive Bid Items Related to Establishing a Temporary Fire Station if Necessary;
- B. A Resolution Awarding an Agreement to Griffin Structures, Inc. for \$848,550 for Inspection and Construction Management on the Project;
- C. A Resolution Awarding an Agreement to Leighton Consulting, Inc. for \$51,000 for Geotechnical/Material Testing and Special Inspection Services on the Project;
- D. A Resolution Authorizing the City Manager to Enter Into Agreements with Westnet Inc., for up to \$147,000, for Installing Alerting Systems on the Project; and
- E. Authorizing the City Manager to Purchase Miscellaneous Furniture, Fixtures and Equipment up to \$100,000 for Construction of the Fire Station No. 2 Replacement Project; and
- F. Transfer funds from the General Fund to the CIP Fund and Appropriate to the Fire Station No. 2 Construction Project in the Same Amount that City Council Dedicates to the Project and Reduce Debt Issuance, if Applicable (Public Works Director Lee).

a) **ADOPT RESOLUTION NOS. 21-0064, 21-0065, 21-0066 AND 21-0067**

b) **AUTHORIZE**

c) **APPROPRIATE FUNDS**

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**RECOMMENDATION:**

Staff recommends that City Council

- A. Adopt Resolution No. 21-0064 to
  - 1. Award a construction agreement to Monet Construction, Inc. for construction of the Fire Station No. 2 Replacement Project (Project) for \$7,445,000;
  - 2. Approve the Plans and Specifications for the Project;
  - 3. Authorize the City Manager to approve additional work, if necessary, for up to

\$744,500; and

4. Authorize the City Manager to decline the additive bid items related to establishing a temporary fire station, if necessary;
- B. Adopt Resolution No. 21-0065 to award an agreement to Griffin Structures, Inc. in the amount of \$848,550 for inspection and construction management (CM) to support construction of the Fire Station No. 2 Replacement Project;
- C. Adopt Resolution No. 21-0066 to award an agreement to Leighton Consulting, Inc. in the amount of \$51,000 for geotechnical/material testing and special inspection to support construction of the Fire Station No. 2 Replacement Project;
- D. Adopt Resolution No. 21-0067 authorizing the City Manager to enter into agreements, up to \$147,000, with Westnet Inc. for installing alerting systems for the Fire Station No. 2 Replacement Project; and
- E. Authorize the City Manager to purchase miscellaneous furniture, fixtures and equipment up to \$100,000 for the Fire Station No. 2 Replacement Project, and
- F. Transfer funds from the General Fund to the CIP fund, appropriate to the Fire Station No. 2 construction project in the same amount that City Council dedicates to the project, and reduce debt issuance, if applicable.

#### **FISCAL IMPLICATIONS:**

The design development phase of this project is included in the Capital Improvement Program (CIP) Fiscal Year (FY) 2020-2024, with a budget of \$777,441 from the CIP Fund. On March 3, 2021, staff presented a conservatively estimated cost for the construction phase of the Fire Station No. 2 Replacement Project in the amount of \$9.5 million.

Based on the known construction costs, the costs for construction management and inspection services, the estimated ancillary costs for construction, and unknown costs for completing the project, the estimated cost for the construction phase is revised to \$9.7 million. Bids received for construction of the project were slightly lower than anticipated. However, proposals for services to support the administration of the construction contract, and the proposals/estimates for completing the ancillary work to make the new Fire Station No. 2 fully operational are much higher than originally estimated. In addition, there are still unknown costs associated with permitting and coordination with the utility companies (particularly Southern California Edison); with providing enhanced public outreach in advance of and during construction activities; and with project administration (mailing, printing, etc.) performed by the City. These factors account for the \$200,000 increase in estimated construction phase costs. The \$9.7 million construction phase budget amount can be funded by the City through the sale of certificates of participation (COPs). The authorization to proceed with the sale of the COPs was approved by the City Council on July 20, 2021.

Alternatives are being considered to generate savings on the overall construction costs for the Project. One alternative involves constructing both the temporary and permanent fire station facilities concurrently. This will generate an anticipated savings of \$150,000 from the inspection and construction management (CM) services contract.

A second alternative under consideration involves deleting the temporary fire station from the project scope of work via declining the additive bid items related to establishing a temporary fire station. This alternative would result in a savings of \$390,000 from the construction contract, \$32,000 from the alerting system installation for the temporary station, and approximately \$178,000 from the inspection and CM services contract. In all, the total Project savings from this second alternative is estimated to

be \$600,000.

### **BACKGROUND:**

The existing Fire Station No. 2 structure, located at the southeast corner of Rowell Avenue and Manhattan Beach Boulevard, at 1400 Manhattan Beach Boulevard, was constructed in 1954. Over time, significant changes occurred with staffing requirements, the services provided by the fire department, fire apparatus design and building codes. A study to assess the facility was conducted in 2017 by Griffin Structures. The study found a number of building deficiencies, most notably in the building's seismic force resisting system. These deficiencies make the station inadequate to continue functioning as an essential facility and could impact service delivery, or lead to a loss of use of the facility following an earthquake or other natural disaster. The study recommended replacing the facility due to numerous and significant building code issues that are costly to fix, resulting in an extended displacement of the operations. The alternative of performing ongoing maintenance is as costly due to the age of the building.

On September 5, 2017, staff presented City Council with a needs assessment/feasibility study (report) that explored renovation or replacement of three major facilities in Manhattan Beach, which included Fire Station No. 2. City Council determined that the Fire Station No. 2 facility, being an emergency response essential service building, is the highest priority facility in the City and ultimately directed staff to move forward with the complete replacement of the existing Fire Station No. 2 facility at the existing location.

In early 2018, staff issued a Request for Proposals (RFP) for Fire Station design services and in May 2018, the City Council awarded an Agreement to WLC Architects (WLC) for \$764,710 for design and construction support services for the replacement of Fire Station No. 2.

WLC Architects collaborated with a design committee comprised of Fire, Community Development, Information Technology, and Public Works Department staff. Design meetings included taking inventory of the design elements present in the existing Fire Station No. 2; visiting recently constructed fire stations to survey design elements implemented in other modern fire stations; providing feedback on the floorplan, site plan, and operational considerations associated with the replacement station. WLC developed a preliminary floorplan and site plan, with five exterior design options for the replacement fire station.

Staff presented the proposed designs to the public in October and December 2018 and to City Council in December 2018. City Council approved the floor plan and site plan and provided direction for the design concept to be used for the exterior of the building (see attachment). The project was reviewed and approved by the Planning Commission in August 2019.

WLC proceeded to develop construction documents (plans, specifications, and cost estimate) for the construction of the replacement Fire Station No. 2 as well as a temporary Fire Station No. 2, to be located at 1501 N. Peck Avenue (across from Begg Pool). WLC and City staff continued to work with the Manhattan Beach Unified School District (MBUSD) to identify the location for the Temporary Fire Station No. 2. Plans for both the replacement and temporary Fire Station No. 2 were finalized and submitted to the Building & Safety Division to begin the plan check process on December 26, 2019.

The Building & Safety Division approved the plans on January 12, 2021. Per Building Code

requirements, the building permit must be pulled by December 2021. Otherwise, additional costs will be incurred for the architect to update the plans and reflect changes in the building and other codes, and to resubmit the plans through the Building Safety plan check and approval process again.

On February 24, 2021, staff presented the project to the MBUSD Board as an informational item. Staff addressed concerns regarding noise impacts and the coordination of pedestrian traffic when the Fire Department responds to emergencies. The City's use of MBUSD property was addressed on July 7, 2021, when the MBUSD approved a formal agreement with the City to use MBUSD property for the Temporary Fire Station No. 2 at a fee of \$1 per year.

## **DISCUSSION:**

### **Construction Contract**

The Project was advertised for bids in the Beach Reporter, the City's on-line publisher of record, PlanetBids, as well as the City's website. Ten bids were received and opened on June 14, 2021. These bids are valid for 90 days. Therefore, a construction contract award must be made by September 14, 2021 or sooner.

<b><u>Contractor</u></b>	<b><u>Calculated Total Bid Amount</u></b>
Monet Construction, Inc.	\$7,445,000.00
Cal-City Construction, Inc.	\$7,771,000.00
R.C. Construction Services	\$7,818,000.00
PCN3, Inc.	\$8,073,000.00
AMG & Associates	\$8,383,000.00
Newman Midland Corp	\$8,961,453.00
Royal Construction Corp	\$9,073,000.00
Kemcorp Construction Inc.	\$9,225,000.00
Act 1 Construction, Inc.	\$9,599,546.69
RAL Investment Corporation	\$9,925,103.00

Staff reviewed the bid, contractor's license, and references for the apparent low bidder, Monet Construction, Inc. (Monet Construction). The bid and license were in order. References indicate that Monet Construction has the knowledge and capability to complete the work in accordance with the plans and specifications.

The City received two bid protests relative to this bid. The first protest pertained to a prospective bidder's failure in properly submitting its bid on time via the PlanetBids platform. Staff investigated the matter with PlanetBids and reviewed the matter with the City Attorney, and determined that the failed bid was due to an error on the prospective bidder's part.

The second bid protest related to the subcontractors listed by Monet Construction. The protesting contractor claimed that Monet Construction failed to properly disclose their subcontractors on their bid. Monet Construction responded that their subcontractors were not listed because the value of their work did not exceed 0.5% of the total bid and that portions of the work that could be subcontracted would be self-performed by Monet Construction. The complaint was investigated and reviewed with the City Attorney, and the City determined that bid protest lacked merit and that Monet Construction's bid can be considered the lowest responsible, responsive bid.

Staff recommends that the City Council approve award of the construction contract to Monet Construction, Inc. for \$7,445,000 and authorize the City Manager to approve additional work, if necessary, for up to \$744,500; as well as authorize the City Manager to decline the additive bid items related to establishing a temporary fire station, if necessary

### **Independent Construction Oversight (Inspection & Construction Management Services)**

City issued a Request for Proposals on May 6, 2021, for full-time construction inspection & construction management services for the Project. The scope of work includes:

- Providing administrative, management, and related services necessary to provide independent oversight of the work of the General Contractor and all sub-contractors in order to ensure the contractor complies with the plans, specifications and applicable standards;
- Providing, managing, coordinating, and ensuring timely completion/approvals in response to all Requests for Information (RFIs), shop drawings, product samples, and Construction Change Order (CCOs) review, negotiations, and issuance;
- Providing outreach and response to public concerns related to the project;
- Tracking invoices and validating progress payment requests related to the project;
- Performing field project oversight for monitoring damage and repair of existing infrastructure;
- Documenting the daily work and extra work performed by the contractor;
- Verifying the completed work; monitoring, providing supporting documentation and inspecting any additional work performed; and
- Preparing a list of items for correction.

Two proposals were received on the June 14, 2021, deadline. Proposals were evaluated and ranked by an evaluation committee of City staff according to the following selection criteria:

- Demonstrated understanding of the scope of services;
- Experience and qualifications with similar work as a firm;
- Project inspection methods and quality control; and
- Qualification and experience of key personnel.

Based on the selection criteria, Griffin Structures, Inc. demonstrated that it has overwhelming experience in independent construction oversight and inspection of fire station construction; clear, organized, and efficient systems and protocols for managing and inspecting projects; adequate resources to support the City; and support during project closeout and during the one-year warranty period. The cost for providing construction inspection & construction management services for the Project is \$848,550 (or 8.75% of the construction phase cost). Therefore, staff recommends that City Council approve a Construction Inspection & Construction Management Services agreement with Griffin Structures, Inc. for the Project.

### **Geotechnical/Material Testing & Special Inspection Services**

In order to comply with California Building Code (CBC) Chapter 17, independent geotechnical/material testing and special inspection services are required for the construction of Fire Station No. 2. Key materials requiring special inspection include soils, steel, concrete, and wood.

As part of the preliminary design process, WLC Architects hired Leighton Consulting, Inc (Leighton)

to conduct a geotechnical investigation of the Fire Station No. 2 site. This investigation provided the basis for the grading and foundation design. As part of the report, it was noted that geotechnical observation and testing should be conducted during excavation and all phases of grading operations, and that the conclusions and recommendations in the investigation should be reviewed and verified by Leighton during construction. Additionally, the conclusions and recommendations should be revised accordingly if geotechnical conditions encountered vary from the preliminary findings and interpretations.

To provide continuity between the original geotechnical analysis and the geotechnical observation during construction, staff reached out to Leighton Consulting to provide a proposal for geotechnical observation and testing during construction. In addition, staff requested Leighton to include into its scope of work for the proposal, material testing and special inspection services for reinforcing steel, reinforced concrete, post-installed anchors/epoxy dowels, structural steel (field welding), laminated wood beams, and structural wood frames. Leighton submitted a proposal in an amount not-to-exceed \$51,000.00 and staff recommends that City Council approve an Inspection Services agreement with Leighton Consulting for the Project.

### **Alerting System**

The alerting system to be used at the temporary Fire Station No. 2 as well as the new Fire Station No. 2 is not included in the construction contract. The Manhattan Beach Fire Department currently uses a proprietary alerting system (by Westnet Inc.) at both Fire Station No. 1 and Fire Station No. 2, to receive notification of emergency calls. An alerting system will be required for the Temporary Fire Station No. 2. The plan is to remove existing Westnet components from the existing Fire Station No. 2 prior to demolition and to install an alerting system for the Temporary Fire Station No. 2 using the same components. Westnet provided a proposal in the amount of \$32,000 to perform that work.

Westnet also provided a proposal to establish a budget for the installation of a new alerting system for the new Fire Station No. 2. The cost for a new alerting system provided by Westnet is \$115,000.

The total cost to implement the Westnet alerting system on the Project is \$147,000. Staff recommends that the City Council authorize the City Manager to execute agreements to install alerting systems for the temporary and new fire stations for up to \$147,000.

### **Furniture, Fixtures & Equipment**

Furniture, fixtures and equipment (FFE) is not included in the construction contract, so that the City can procure such items without incurring an additional markup from the construction contractor. It is estimated that the FFE cost is \$100,000, and staff recommends that City Council authorize the City Manager to purchase up to \$100,000 in FFE for the Project.

### **Utility Permits and Coordination, Fees & Miscellaneous Costs**

Staff anticipates that the City may incur additional costs for permits and coordination with utility companies, in order to establish service to the new and temporary Fire Station No. 2 facilities and to disconnect or relocate, as needed, any utility connections prior to demolition. Currently there is no estimate for such work because the utility companies consider each job as unique and costs for similar types of projects can vary dramatically.

Staff also anticipates that the City may incur additional costs for enhancing public outreach and

internal administrative costs (mailing, printing, etc.) as part of the administration of the construction contract.

Therefore, staff recommends setting aside a budget of \$363,950 (3.75% of the construction phase budget) to account for the unknown costs.

### **Anticipated Schedule**

It is anticipated that construction activities for the Fire Station No. 2 Replacement Project will commence in October 2021 and the new, permanent Fire Station No. 2 will be completed by July 2023 (21 months). Per the Contract Documents, the Contractor shall complete the construction of the temporary Fire Station No. 2 prior to commencing with demolition on Fire Station No. 2. This sequence allows the Fire Department to maintain its presence on the east side of Manhattan Beach during construction.

### **Construction Alternatives for the Temporary Fire Station No. 2 - Best Practices**

In an effort to expedite the completion of the project and the generate cost savings during construction, staff is exploring alternatives related to the construction of the temporary fire station. The two alternatives being considered are 1) constructing both the new and temporary fire stations concurrently and 2) removing the temporary station from the scope of work for the Project.

Based on staff's research there is no "industry standard best practices" for providing a temporary fire station during construction. Each agency addresses this matter based upon the governing body's goals, fiscal limitations, and physical limitations. Some agencies such as El Segundo, Santa Monica, and Beverly Hills consolidated Fire Station operations during construction of a replacement fire station. On the other end of the spectrum, Newport Beach invested \$1.5 million to construct its temporary fire station facility.

### **Construction Alternative # 1: Concurrent Construction of Temporary and Permanent Fire Station No. 2**

One alternative under consideration involves constructing both the temporary and permanent fire stations concurrently. The Contractor acknowledged that it has the capability to perform construction activities at both sites and is ready to mobilize following execution of the contract. Under this scenario, the Manhattan Beach Fire Department would vacate Fire Station No. 2 and operate out of Fire Station No. 1 for approximately six months, until construction of the temporary Fire Station No 2 is complete. If the City pursues this option, the project timeline would be reduced from 21 months to 15 months. The City would incur costs upwards of \$422,000 to establish the temporary fire station, but would save approximately \$150,000 by exercising this option. These cost savings are primarily associated with reduced timelines related to the inspection and Construction Management contract.

### **Construction Alternative # 2: Declining the Additive Bid Items Related to Establishing a Temporary Fire Station**

The project bid includes three additive bid items related to constructing a temporary fire station on MBUSD property, in advance of demolition of the existing Fire Station No. 2 building, and removing the temporary fire station at the end of the project. If the City declines these additive bid items, the project timeline would be reduced from 21 to 14 months and result in a savings of approximately \$600,000. Under this scenario, all firefighters will operate out of Fire Station No. 1 for the duration of the Project.

One impact associated with either of these alternatives relates to the average arrival time to calls in Zone 2, the area serviced by Fire Station No. 2 from Sepulveda Boulevard to the easterly City limit. It is estimated that the average delay for rescue vehicles traveling to Zone 2 from Fire Station No. 1 is approximately one minute.

The Manhattan Beach Fire Department management team identified operational measures to increase the Fire Department's physical presence in Zone 2 under this scenario. These measures include conducting inspections, training, and physical fitness in Zone 2 during daytime hours. Combined with allowing a fire engine to patrol the Zone 2 area, the Fire Department can provide a regular, visible presence to the easterly portion of the City during much of the daytime.

The absence of temporary fire station during construction is not anticipated to affect the City's ISO rating. This rating is comprised of at least 60 factors, of which arrival time plays a negligible role in affecting the City's overall ISO rating.

Staff recommends that the City pursue Construction Alternative # 1 to construct both the temporary and permanent Fire Station No. 2 facilities concurrently. This alternative strikes a balance between shortening the delivery time for the new station, while maintaining a physical presence to provide Fire Department service to Zone 2 for the majority of the project period. While the recommended motion would provide authority for the City Manager to make the decision to pursue Alternative # 1 or Alternative # 2 by declining the additive bid items related to establishing a temporary Fire Station if necessary, staff intends to seek direction from the City Council on this issue after additional public outreach can be conducted. This issue is likely to be considered by the City Council at the August 24, 2021 meeting. It is important to keep in mind that since the bids are valid only until September 14, 2021, a formal award letter including the additive bid items, if applicable, must be sent to the contractor prior to that date. Construction is anticipated to start approximately 6-8 weeks after the letter is sent to the contractor.

#### **PUBLIC OUTREACH:**

During the preliminary design phase, the City held two public meetings on October 29, 2018, and December 3, 2018, to review the floorplan, site plan and design concepts for the building exterior. The City advertised the meetings in The Beach Reporter and the City's social media channels. The designs were also posted on the City's website under Community News and Updates.

Additional outreach can be conducted to receive public feedback on the construction of a temporary fire station. It is anticipated that the public would be given an opportunity to submit their feedback online as well as in person, including at a subsequent City Council meeting.

Additional outreach is also expected to occur prior to commencement of construction phase activities.

#### **ENVIRONMENTAL REVIEW:**

The City reviewed the proposed project for compliance with the California Environmental Quality Act and determined that the project qualifies for Categorical Exemptions per the State CEQA Guidelines. The temporary fire station is exempt pursuant to Section 15302 (Replacement or Reconstruction) in that the new modular building is replacing an existing one, and it has the same capacity, and serves the same purpose (temporary municipal facility). The construction of the new fire station is exempt pursuant to Section 15303 (New Construction of Small Structures). Furthermore, there are no



features that distinguish this project from others in the exempt classes; therefore, there are no unusual circumstances.

**LEGAL REVIEW:**

The City Attorney has reviewed this report and determined that no additional legal analysis is necessary.

**ATTACHMENTS:**

1. Resolution No. 21-0064
2. Agreement - Monet Construction, Inc.
3. Resolution No. 21-0065
4. Agreement - Griffin Structures, Inc.
5. Resolution No. 21-0066
6. Agreement - Leighton Consulting, Inc.
7. Resolution No. 21-0067
8. Plans and Specifications (Web-Links Provided)
9. Budget Expenditure Summary Report
10. PowerPoint Presentation